

Message Text

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43

ACTION EB-11

INFO OCT-01 EUR-25 ADP-00 CAB-09 CIAE-00 COME-00 DODE-00

INR-09 NSAE-00 RSC-01 FAA-00 PA-03 PRS-01 USIA-12 L-03

RSR-01 TAR-02 TRSE-00 /078 W
----- 062440

R 151430 Z MAR 73

FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC 5773

INFO AMEMBASSY COPENHAGEN

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

AMEMBASSY LONDON

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E. O. 11652: N/ A

TAGS: ETRN FI XT

SUBJECT: CIVAIR - NORTH ATLANTIC AIR FARES FILING BY
FINNAIR

REF: STATE 040762

1. BEGIN SUMMARY. NATIONAL AVIATION BOARD OF FINLAND
(KAARLO TEMMES) INDICATED UNHAPPINESS WITH CIVIL
AERONAUTIC BOARD' S COMMENTS ON FINNAIR' S FILING OF
AIR FARES ACROSS NORTH ATLANTIC. BOARD HOWEVER HAS
NO OFFICIAL COMMENTS ON AIR FARE SITUATION BETWEEN
FINLAND AND US. TEMMES SAID FINNAIR IS COOPERATING
WITH OTHER AIRLINES IN TALKS UNDER AUSPICES OF IATA IN
LONDON BUT HE WAS NOT OPTIMISTIC OF OUTCOME AS IT MAY
AFFECT FLIGHTS BETWEEN FINLAND AND US. HE MADE SPECIAL
POINTS OF DIFFICULTIES ARISING FROM NEW EXCHANGE RATES
AND THEIR IMPACT ON INDIVIDUAL AIRLINES, WHICH MUST ALSO
BE RESOLVED. NATIONAL AVIATION BOARD AND FINNAIR' S
DECISION ON AIR FARES IN COMING MONTHS WILL MOST LIKELY
BE CLOSELY COORDINATED WITH ANY SAS DECISION IN THIS
RESPECT. END SUMMARY.

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2. FOREIGN OFFICE (LEHTOVAARA) AND NATIONAL AVIATION BOARD OF FINLAND (TEMMES) WERE PROVIDED TEXT OF CAB COMMENTS ON FINNAIR FILING OF AIR FARES. TEMMES AT LUNCHEON MEETING MARCH 15 PROVIDED ECON COUNSELOR FOLLOWING RESPONSE:

A. (SUBSTANCE OF WRITTEN RESPONSE) SINCE LAST MESSAGE TO CAB, SITUATION HAS BEEN CHANGED BY ECAC RECOMMENDATION OF 28 FEBRUARY (DGCA/18). BASED ON RECOMMENDATION, GOVERNMENT URGED FINNAIR TO CONTRIBUTE IN IATA NEGOTIATIONS TOWARD ESTABLISHING AGREEMENT ON NORTH ATLANTIC FARES. ON CAB COMMENTS, RE FINNAIR FILING, RECEIVED FROM US EMBASSY HELSINKI, NATIONAL AVIATION BOARD HAS DULY NOTED THAT CAB IS UNABLE TO ACCEPT FINNAIR TARIFF FILING. NOTING SITUATION MENTIONED ABOVE AND FACT FINNAIR IS PARTICIPATING IN IATA AND NATIONAL AVIATION BOARD IS AWAITING OUTCOME OF THESE TALKS, THE BOARD WILL FOR THE MOMENT REFRAIN FROM FURTHER COMMENTS ON TARIFF SITUATION BETWEEN FINLAND AND USA.

B. ORALLY, TEMMES INDICATED UNHAPPINESS WITH CAB POSITION. HE SAID REGULAR FLIGHTS MUST HAVE LOWER FARE IF AIRLINES ARE TO MEET PROBLEM OF PARTIAL LOAD FOR SUCH AIRCRAFT FLYING ALONG SIDE CHARTERS WITH FULL BOOKING. ON AIR FARES OVER NORTH ATLANTIC, HE SAID WE MUST IN ADDITION NOW CONSIDER IMPACT OF NEW EXCHANGE RATES WHICH WILL HAVE DIFFERENT IMPACT ON AIRLINES DEPENDING ON ORIGIN OF MAJOR TRAFFIC LOAD. THIS PROBLEM MUST BE RESOLVED. TEMMES WAS NOT OPTIMISTIC OVER POSSIBILITY OF REACHING RATIONAL SOLUTION TO BILATERAL TRAFFIC PROBLEM BETWEEN FINLAND AND US IN FRAMEWORK OF IATA. AS AN ASIDE, HE INDICATED PERHAPS ONE IDEA WOULD BE FOR US ORIGIN AIR FARES TO BE RAISED BY FIVE PERCENT AND FLIGHTS ORIGINATING IN FINLAND TO CONTINUE UNCHANGED. IN ANY CASE, TEMMES WILL AWAIT OUTCOME OF IATA TALKS.

C. ON EXCHANGE OF VIEWS AND CONSULTATIONS REQUIRED IN PARA G OF SECTION IX OF BILATERAL AIR TRANSPORT AGREEMENT WITH FINLAND, TEMMES AFFIRMED ORALLY THAT NATIONAL AVIATION BOARD CONSIDERS THESE PROVISIONS TO HAVE BEEN MET, PREPARATORY TO ANY SUSPENSION ACTION CAB MAY TAKE.

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3. COMMENT. FINNAIR AND NATIONAL AVIATION BOARD' S

FUTURE ACTION ON AIR FARES WILL BE CLOSELY COORDINATED
WITH DECISION MADE BY SCANDINAVIAN AIRLINE SYSTEM (SAS)
SINCE THAT LINE IS MAJOR COMPETITOR FROM THIS AREA. WE
UNDERSTAND FROM TEMMES SAS HAS MADE NO FILING FOR CHANGE
IN AIR FARES. DECONTROL DECEMBER 31, 1974.
PETERSON

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*** Current Classification *** LIMITED OFFICIAL USE

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